

March 21, 2003

D.T.E. 03-9

Investigation by the Department of Telecommunications and Energy on its own motion into Fitchburg Gas and Electric Light Company's dealings with Enermetrix, Inc. in compliance with G.L. c. 164, §§ 76A, 85, 85A, 94B, and 94C, 220 C.M.R. §§ 12.00 et seq., and Pricing and Procurement of Default Service, D.T.E. 99-60-A (2000).

ORDER OPENING INVESTIGATION

I. INTRODUCTION

In its order in Fitchburg Gas and Electric Light Company, D.T.E. 02-24/25 (2002), the Department of Telecommunications and Energy (“Department”) stated that it would open an investigation into Fitchburg Gas and Electric Light Company’s (“Fitchburg” or “Company”) dealings with Enermetrix, Inc. (“Enermetrix”). Id. at 207-208. Enermetrix provides an Internet-based energy auction service that is used by utilities to post their natural gas and electric power needs for bids. Id. at 205. Fitchburg’s dealings with Enermetrix include the Company’s use of Enermetrix for its default service supply solicitations issued in September 2001 and March 2002. Id. At the time of these solicitations, Unitil Corporation (“Unitil”), Fitchburg’s parent, had an approximate nine percent ownership interest in Enermetrix. Because of Fitchburg’s transactions with Enermetrix and Unitil’s ownership interest in Enermetrix, the Department determines that it is necessary to investigate whether Fitchburg is in compliance with (i) relevant statutes and regulations pertaining to transactions with affiliated companies and (ii) the Department’s Order setting forth the requirements for the pricing and procurement of default service, Pricing and Procurement of Default Service, D.T.E. 99-60-A (2000). The relevant statutes include: G.L. c. 164, §§ 76A, 85, 85A, 94B, and 94C. The relevant regulations are 220 C.M.R. §§ 12.00 et seq.

In particular, the Department’s investigation will include an inquiry into the following:

1. Whether Enermetrix is a company affiliated to Fitchburg within the meaning of G.L. c. 164, § 85 and 220 C.M.R. § 12.02.
2. If Enermetrix is an affiliated company, whether Fitchburg complied with the requirements of G.L. c. 164, §§ 85A and 94B pertaining to contracts with affiliated companies.

3. If Enermetrix is an affiliated company, whether the pricing of its services to Fitchburg complied with the requirements 220 C.M.R. § 12.04, pertaining to the pricing of transactions between a distribution company and an affiliated company.
4. If Enermetrix is an affiliated company, whether Fitchburg, in procuring its default service supply through Enermetrix, obtained a market-based price for default service procured through reasonable business practices in compliance with the Department's directives in D.T.E. 99-60-A.
5. If Fitchburg is found to be in violation of the requirements concerning dealings with an affiliated company or the requirements for the pricing and procurement of default service, what penalty, if any, should be imposed.

II. PROCEDURAL SCHEDULE

The Department will conduct a public hearing and procedural conference in this matter on April 24, 2003. The deadline to file for intervention is April 18, 2003. Interested persons may submit written comments to the Department by April 18, 2003.

III. SUBMISSION OF PLEADINGS OR COMMENTS

All written pleadings or comments submitted to the Department in this proceeding must be in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and john.cope-flanagan@state.ma.us or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 03-9), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document (e.g., Initial Comments or Reply Comments). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix), in Microsoft Word,

(naming the document with a “.doc” suffix), or as an Adobe PDF file (naming the document with a “.pdf” suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department’s Website, <http://www.magnet.state.ma.us/dpu> .

IV. ORDER

Accordingly, the Department

VOTES: To open an investigation into Fitchburg Gas and Electric Light Company’s compliance with relevant statutes, regulations, and Department orders pertaining to Fitchburg’s dealings with Enermetrix, Inc.

By Order of the Department,

\s\ _____
Paul B. Vasington, Chairman

\s\ _____
James Connelly, Commissioner

\s\ _____
W. Robert Keating, Commissioner

\s\ _____
Eugene J. Sullivan, Jr., Commissioner

\s\ _____
Deirdre K. Manning, Commissioner